

May 18, 1983

## CONGRESSIONAL RECORD — SENATE

D-7001

that where an agency has loan guarantee authority available for commitment that it make such commitments so long as there are qualified applicants seeking that commitment.

Mr. President, it is my firm belief that no administration should be able to arbitrarily and unilaterally alter the level of loan guarantee authority provided by law. Certainly, such an action should not go unchallenged. As Members of this Congress, we cannot and should not allow it to happen again. These bills are designed to do that.

By Mr. GOLDWATER (for himself and Mr. THURMOND):

S. 1324. A bill to amend the National Security Act of 1947 to regulate public disclosure of information held by the Central Intelligence Agency, to the Select Committee on Intelligence.

INTELLIGENCE INFORMATION ACT OF 1983

• Mr. GOLDWATER. Mr. President, today, I introduce the Intelligence Information Act of 1983. The chairman of the Judiciary Committee, Senator STROM THURMOND, cosponsors this legislation with me.

This legislation seeks to add a new title VII to the National Security Act of 1947 so that the major operational components of the Central Intelligence Agency (CIA) will be relieved of the burden of searching and reviewing sensitive operational files in response to certain requests for information under the Freedom of Information Act. This will serve in turn to allow these components to more effectively devote their resources to the gathering of the vital intelligence our Government needs in order to make informed decisions in areas of foreign policy and national defense.

It is important to know that this legislation does not frustrate the essential purposes of the FOIA. Requesters will continue to have access to CIA files containing the intelligence product, and to information on policy questions and debates on these policies. Additionally, access to files for individual U.S. citizens and permanent resident aliens who seek information on themselves will not be affected by this bill.

Mr. President, it has been 8 years since the FOIA has been amended, and during those 8 years, the CIA has worked hard to comply with the act. However, experience has shown that it is impossible to respond to requests for information within the specified time limits. The search through numerous compartmented file systems is time consuming. For security reasons, all CIA files are compartmented and intelligence personnel have access only to that information which they "need to know" for their work.

This problem is compounded because this review of operational files can only be done by experienced operations officers, whose time should be devoted more fully to operational matters. FOIA presently requires the

Agency to search and review files even when it is evident from the nature of the request that no information can be released for reasons of national security.

What has been the result of this burdensome process? Very little information, if any, is released from operational files when the request seeks information concerning the sources and methods used to collect intelligence. Even then the released information is usually fragmented.

The fear of disclosure due to this mandatory search and review of sensitive files and the possibility that some court may order the release of information which could reveal a source's identity or a liaison relationship, costs this Nation untold valuable intelligence information. It is only these most sensitive operational files which this bill would exempt from search and review.

I urge my colleagues to take time to study this legislation carefully. Any person who does will see that the American public can only stand to benefit by this bill. By exempting from long and burdensome searches and reviews those operational files from which very little information has ever been released, the processing of all other requests can be completed much sooner. The public will receive that information which is releasable under the Freedom of Information and Privacy Acts in a far more efficient and satisfying manner. The wait for a response from the CIA now takes anywhere from 2 to 3 years. This kind of situation benefits no one.

In short, this bill relieves the CIA of certain time consuming search and review requirements. By so doing, it provides the FOIA requestor speedier responses for those areas which should be subject to public scrutiny. At the same time, it will enable the Agency to take a number of experienced personnel out of the business of reviewing files and permit them to get back to intelligence work.

It is my intention to hold hearings on this bill in the Senate Select Committee on Intelligence in the very near future. I hope my colleagues on that committee and throughout the Senate will agree with me that this is a balanced and reasonable approach to achieve needed relief for the CIA without diminishing the value of the Freedom of Information or Privacy Acts.

By Mr. MCCLURE (for himself, Mr. CRANSTON, Mr. D'AMATO, and Mr. STROMS):

S. 1325. A bill to amend the Internal Revenue Code of 1954 to provide financial relief to State and local governments by eliminating a requirement that would result in a duplicative mailing each year, to the Committee on Finance.

STATE REFUND NOTICE EQUITY ACT OF 1983

• Mr. MCCLURE. Mr. President, I rise today with several distinguished col-

leagues on both sides of the aisle to introduce an important piece of legislation designed to save our already financially strapped State budgets millions of dollars in needless postage and administrative expenses.

Included in the Tax Equity and Fiscal Responsibility Act is a provision that requires State and local governments to furnish each recipient of a State or local income tax refund with a written statement showing the amount of refund paid during the previous year. This statement, which must be mailed during the month of January, must also include a notice indicating to the taxpayer their responsibility to report the refund to the Federal Government.

Prior to the enactment of TEFRA, refunds, credits, or the offset of State or local income taxes that were deducted in a prior year were includible in gross income for Federal income tax purposes and you were required to pay taxes on that amount. Payment of taxes on this income has always been required. I can certainly agree with the intent of this law and I am sure that it will be useful mechanism in the lawful collection of taxes. However, I cannot agree with the specifics of the provision requiring that States furnish this information to the taxpayer "during January." This will necessitate financially strapped States to separately mail this information during January instead of including it with the return when it is mailed.

The National Association of Tax Administrators estimates that the total cost to the States of this separate mailing could total as much as \$80 to \$100 million annually! This figure is made of primarily of the extra postage costs. The majority of the States reported that these added costs could not be financed from existing appropriations. This means that additional funding must be provided or that States must make necessary cuts in other areas to provide the necessary financing. Unfortunately, these extra funds that will be necessary to comply could more have appropriately been used in other ways to produce desperately needed revenue to the States. As it stands now, no revenue for the States will be produced.

The legislation I am introducing today will allow States to notify recipients any time before January 31 of the year following the payment of the refund. This will allow States to include this notice when refund checks are made or any other time mailings are made. The bill also allows an additional 1 year before the provision is implemented to give States the necessary time to "gear up" for this new requirement.

It is easy to see that the intent of this section of TEFRA is preserved while at the same time alleviating an unnecessary cost to the States.

I urge all of my colleagues to cosponsor this important measure and I ask